

## LNF & IHCIF Calculations Illustration - LAKE COUNTY in California area -

### Given Data

- 1,241 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 55% = % Expenditures on purchased services, 45% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 132.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

### Cost Adjustment Calculations

- \$1,797 per person for purchased services =  $55\% * 109.6\% * \$2,980$
- \$1,779 per person for in-house services =  $45\% * 132.7\% * \$2,980$
- \$3,576 per person total = \$1,797 (purchase) + \$1,779 (in-house)
- **\$3,430 per person total** adjusted for health status =  $\$3,576 * 95.9\%$
- **\$2,685 per person net cost** =  $\$3,430 - \$745$  Other resources (M&M&PI)

### Existing Expenditures (for 1,241 users excluding wrap-around and collections)

- \$1,080 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,356 per person for OU users** =  $\$1,080 + \$222 + \$54$

### LNF Calculation

- **39.5% Gross LNF** =  $\$1,356$  (expenditures) /  $\$3,430$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **50.5% Net LNF** =  $\$1,356 / \$2,685$  net cost ( $\$3,430 - \$745$  other)

### IHCIF Allocation

- \$316,712 = \$ to raise LNF% from 50.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$11,047 Allocation** =  $\$316,712$  needed for 60% \* 3.488% IHCIF fraction

### LAKE COUNTY Unmet Needs

- **\$3,332,695 Net Total Need** = 1,241 users \* \$2,685 net cost
- **\$1,649,790 Net Unmet Need** =  $(100\% - 50.5\% \text{ LNF}) * 1,241 \text{ users} * \$2,685 \text{ net cost}$